

Yacovone, Krista

From: Hauge, Paul M. <PHauge@gibbonslaw.com>
Sent: Tuesday, June 23, 2015 6:41 PM
To: Cardiello, Frank
Cc: Thomas.Carroll@USDOJ.GOV; Hatfield, William S.; Otero, Camille V.
Subject: LCP Site, Linden, NJ
Attachments: SKMBT_75415062318380.pdf

Mr. Cardiello:

Please see attached correspondence regarding the above-referenced site.

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June 23, 2015

VIA E-MAIL AND OVERNIGHT MAIL

Frank X. Cardiello, Esq.
Assistant Regional Counsel
U.S. Environmental Protection Agency
Region 2
290 Broadway
New York, NY 10007-1866

Re: LCP Chemicals, Inc. Superfund Site

Dear Mr. Cardiello:

As you know, this firm represents ISP Environmental Services, Inc. ("IES") in connection with the LCP Site in Linden, New Jersey. Reference is made to our December 23, 2014, May 6, 2015, and May 15, 2015 correspondence to EPA and to your April 22, 2015, May 14, 2015, and May 20, 2015, letters in this matter, as well as Michael Mintzer's summary of our June 12, 2015 meeting, dated June 16, 2015.

EPA's decision to issue its Unilateral Administrative Order ("UAO") on May 20, 2015 indicates that as of that date, EPA continued to maintain that IES is liable for response costs at the LCP Site. According to your letter of April 22, 2015, EPA contends that IES is a successor to GAF Corporation ("GAF") and/or a guarantor of GAF's LCP Site liability, and is therefore jointly and severally liable for response costs incurred and to be incurred at the LCP Site. You reiterated those contentions in your letter dated May 14, 2015. Your April 22, 2015 letter also argued that IES assumed GAF's liability for the LCP Site in 1991.

As set forth in our May 15, 2015 letter and as supported in the documents provided therewith, IES is *not* the successor to GAF or to its liabilities with respect to the LCP Site. Our letter also demonstrated that IES did *not* assume any liabilities arising from GAF's ownership or operation of the LCP Site. Nevertheless, just three working days later, EPA chose to issue the UAO. It is far from clear that EPA had time to review our submission before issuing the UAO. We specifically note that, at the June 12 meeting, EPA refrained from answering our question as to whether the Agency had reviewed all of IES's submissions prior to issuing the UAO. Indeed, as Mr. Mintzer pointed out in his June 16, 2015 letter, EPA decided to delay the effective date of the UAO to give itself additional time to consider IES's position and to review materials submitted by IES.

We write today to amplify the arguments made in our previous submissions, and to provide additional materials showing that (1) IES is not the successor to GAF or to GAF's liability at the LCP Site, and (2) IES did not assume GAF's liability at the LCP Site. *Rather, the successor to GAF is G-I Holdings Inc., which also assumed the GAF liabilities with respect to the LCP Site.*

Frank X. Cardillo, Esq.
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As shown in the materials previously submitted to EPA, GAF severed its ties to the LCP Site in 1972 when it sold the property to Linden Chlorine Products, Inc. In 1986, GAF transferred the assets of its Chemicals Division -- which did not include the LCP Site -- to a newly incorporated, wholly-owned subsidiary, GAF Chemicals Corporation.

GAF was dissolved in 1989. *See* Plan of Complete Liquidation of GAF Corporation (a Delaware corporation) (with Certificate of Dissolution filed April 10, 1989) (annexed hereto as Exhibit A). In the liquidation, various GAF assets and liabilities were transferred to two separate Delaware corporations, Dorset Inc. ("Dorset") and Edgecliff Inc. ("Edgecliff"). *Id.* ¶¶ 2, 4, 5. Dorset received GAF assets and liabilities associated with ongoing chemicals businesses (which, again, did not include the LCP Site), including the stock of GAF Chemicals Corporation, *id.* ¶ 4(i). For example, Dorset received the neighboring site at Foot of South Wood Avenue, known as the GAF Chemicals Site or the Linden Property Holdings ("LPH") Site, but *not* the LCP Site. *Id.* Exhibit B. Edgecliff received assets and liabilities associated with GAF's roofing materials business. *Id.* at ¶ 5(i). In addition, and as we have stressed in our previous submissions, Edgecliff received all of GAF's liabilities arising out of "environmental claims from plants no longer operating," such as the LCP Site, which GAF had sold in 1972. *Id.* ¶ 5(iii)(C). (In fact, *all* chlor-alkali plant operations at the LCP Site had ceased by 1985. Record of Decision, LCP Chemicals, Inc. Superfund Site, Linden, Union County, New Jersey (February 2014), at 1.) Under GAF's 1989 Plan of Complete Liquidation, then, any and all liabilities associated with the LCP Site were transferred to Edgecliff, and not to IES or any predecessor of IES.

Another agreement executed at the time of GAF's liquidation confirm this transfer of liabilities. Pursuant to the agreement, GAF transferred to Edgecliff "100% of all liabilities arising out of . . . environmental claims from plants no longer operating," *e.g.*, the LCP Site. Instrument of Assignment and Assumption (annexed hereto as Exhibit B) ¶ 3(i)(C).

Edgecliff, which received all of GAF's liability associated with the LCP Site, was renamed GAF Building Materials Corporation. *See* Internal GAF Memorandum from Deborah D. Lawson (May 5, 1992 (annexed hereto as Exhibit C) at 1; Charts of 1989 GAF transactions (annexed hereto as Exhibit D) at Step Five (showing "GAF Building Materials Corporation (formerly Edgecliff Inc.)"). GAF Building Materials Corporation later changed its name to G-I Holdings, Inc. *See* First Amended Disclosure Statement for Second Amended Joint Plan of G-I Holdings Inc. and ACI Inc. (December 3, 2008) (excerpts annexed hereto as Exhibit E) at 16. Thus, G-I Holdings Inc., and not IES, is the successor to GAF.

Further, EPA's insistence that IES is the successor to GAF is inconsistent with the 1999 Administrative Order on Consent for the Remedial Investigation and Feasibility Study ("AOC") and its negotiation. The AOC does not describe IES as GAF's successor. *See* AOC ¶ 13. As your records will show, earlier drafts of the AOC referred to IES as the successor to GAF, but that reference was removed. Nor does the AOC's description of IES as having assumed the

Frank X. Cardello, Esq.
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liabilities of GAF, *id.*, bind IES in any way. IES reserved all of its rights and defenses, *id.* ¶ 82, and by signing the AOC, IES did not acknowledge the accuracy of its Findings of Fact or Conclusions of Law, and did not admit liability. *Id.* ¶ 84.

IES did not assume any liabilities arising from GAF's ownership or operation of the LCP Site in 1991. Any and all liabilities of the original GAF Corporation with respect to the LCP Site were transferred in 1989 to Edgecliff. In 1991, GAF no longer had any LCP Site-related liabilities to transfer to IES.

Finally, EPA has never alleged that IES ever owned, operated, arranged for disposal at, or transported any hazardous substances to the LCP Site. As such, EPA has no basis for proceeding against IES under CERCLA Section 106 because IES is not a covered person under any of the subsections of CERCLA Section 107(a).

We respectfully suggest that in the absence of any evidence that IES bears any liability under CERCLA Section 107, a decision to allow the UAO to become effective as to IES, or to seek to enforce the UAO against IES, would be frivolous and that a court would find such Agency action to be arbitrary and capricious given the documentation and information provided to date.

Sincerely,



William S. Hatfield
Director

Enclosures

cc: Thomas Carroll, Esq. - Department of Justice

Exhibit A

PLAN OF COMPLETE LIQUIDATION

OF

GAF Corporation
(a Delaware corporation)

The following plan of complete liquidation (the "Plan"), shall effect the complete liquidation of GAF Corporation, a Delaware corporation (the "Corporation"), in accordance with Section 332 of the Internal Revenue Code of 1986, as amended ("Section 332").

1. The Plan shall be effective, subject to the conditions hereinafter provided, upon its approval by the affirmative vote of the holders of all the outstanding shares of capital stock of the Corporation entitled to vote thereon. Such approval shall constitute approval of each of the actions contemplated by the Plan.

2. Within the Liquidation Period (as defined in paragraph 3 herein), the Corporation shall distribute and transfer to certain corporations listed herein, all of its assets, subject to all of its liabilities, in each case pursuant to the specific provisions of paragraphs 4 through 12 of this Plan, in complete cancellation of all its stock. Dorset Inc., a Delaware corporation ("Dorset"), GAF Building Materials Corporation, formerly known as Edgecliff Inc., a Delaware corporation ("Edgecliff"), Merick Inc., a Delaware corporation

("Merick"), Perth Inc., a Delaware corporation ("Perth") and Clover Inc., a Delaware corporation ("Clover") shall each continue to own until the liquidation is completed all the stock of the Corporation which each owns on the date of adoption of the Plan.

3. The "Liquidation Period", as used herein, shall mean the period beginning on the date of adoption of this Plan and ending three years from the close of the taxable year in which the first distribution is made, provided that the liquidation shall be substantially completed by April 10, 1989.

4. The Corporation shall transfer to Dorset:

(i) all the assets and liabilities, known and unknown, relating to its acetylenic chemicals, surfactants, specialty chemicals, organometalics, mineral products, industrial filters and filter vessels businesses (collectively, the "Chemicals Businesses"), including but not limited to: (A) all the outstanding stock of GAF Chemicals Corp., General Aniline and Film Corp., GAF Realty Corporation, GAF International Corporation, Ludlow Inc., Bluehall Inc., Mossbank Inc., Alkaril Chemicals Ltd. (Canada), GAF (Australasia) Pty. Ltd., GAF (Belgium) N.V., GAF do Brasil Industria e Comercio Ltda, GAF (Canada) Inc., GAF (Deutschland) GmbH, GAF (France) S.A., GAF Freight Services N.V. (Belgium), GAF (Great Britain) Co. Ltd., GAF (Hong Kong) Limited, GAF Insurance Ltd. (Bermuda), GAF (Italia) S.r.l., GAF (Japan) Ltd., GAF Corporation de Mexico,

S.A. de C.V., GAF (Norden) A.B., GAF (Osterreich) Ges.m.b.H., GAF Sales (U.K.) Limited, GAF (Singapore) Pte. Ltd., GAF (Switzerland) A.G., GAF (U.S. Virgin Islands), Inc., and all the shares of GAF-Huls Chemie GmbH held by the Corporation; (B) all right, title and interest of the Corporation in and to all the technologies used by the Corporation relating to the Chemicals Businesses, including, but not limited to the patents and trademarks listed in Exhibit A attached hereto; (C) all the Corporation's real property interests listed in Exhibit B attached hereto;

(ii) notwithstanding any other provision of this Plan, all its trademarks or tradenames that contain the name "GAF", including, but not limited to those contained in Exhibit C attached hereto (to the extent owned by the Corporation);

(iii) liabilities arising out of (A) the production of Amiben; (B) Project Aware environmental clean-up costs; and (C) environmental claims arising out of plants currently operating in the Chemicals Businesses; and

(iv) all of its assets, known or unknown, the transfer, conveyance, or assignment of which is not otherwise provided for in this Plan including, but not limited to, any land, leases, buildings, real property, plant, equipment, inventory, contract rights, receivables, trademarks, intangibles, discontinued products and other assets.

The net fair market value of the assets transferred to Dorset shall comprise, in aggregate, 87.43655% of the net fair market value of the Corporation's assets.

5. The Corporation shall transfer to Edgecliff:

(i) all the assets and liabilities, known and unknown, relating to its commercial and residential roofing materials business (excepting the mineral product business), including: (A) the assets and liabilities acquired by the Corporation as a result of and upon the merger of GAF Building Materials Corporation into the Corporation, which include, but are not limited to, all the outstanding stock of GAF Real Properties, Inc., GAFTECH Inc., and BMC Acquisition Corp. and also including contract rights, receivables, trademarks, intangibles and other assets and liabilities, known or unknown, relating to its commercial and residential roofing materials business (excepting the mineral products business); (B) all the land, leases, buildings, real property, property, plant, equipment, inventory, and other assets at the facilities and addresses listed in Exhibit D attached hereto; and (C) all right, title and interest of the Corporation in and to all the technologies used by the Corporation relating to the commercial and residential roofing materials business (excepting the mineral products business), including, but not limited to the patents and trademarks listed in Exhibit E attached hereto;

(ii) all liabilities, costs, fees and expenses, known and unknown, arising out of all claims, lawsuits or other actions (A) seeking recovery for bodily injury, sickness, disease or death alleged to have been caused in whole or in part by any asbestos or asbestos-containing material whether in the work place or otherwise, (B) seeking to recover the cost of abatement, removal or replacement of asbestos or asbestos-containing material from any public, commercial or private building or other structure, including the cost of health screenings, inspections and operation and maintenance programs, (C) seeking the clean-up of asbestos or asbestos-containing material from any land fill, waste disposal or other site, and (D) any other liability related to the manufacture, sale or use of asbestos or asbestos-containing material, whether arising pursuant to a contractual agreement or under Federal, state or local law, ordinance, regulation, rule or common law (in contract, tort or otherwise) (all such liabilities are hereinafter referred to as "Asbestos-Related Liabilities"), and all persons dedicated to the administration of Asbestos-Related Liabilities; and

(iii) all liabilities arising out of (A) shingle claims for discontinued products, (B) plant shutdowns, and (C) environmental claims from plants no longer operating and from oil waste pollution.

The net fair market value of the assets transferred to Edgecliff shall comprise, in the aggregate, 10.84552% of the net fair market value of the Corporation's assets.

6. The Corporation shall transfer to Merick:

(i) all the outstanding stock of GAF Broadcasting Company and The Classical Shopper, Inc.; and

(ii) any contract rights, receivables, trademarks, patents, copyrights, intangibles and other assets or liabilities, known or unknown, relating to GAF Broadcasting Company and the Classical Shopper, Inc.

The net fair market value of the assets transferred to Merick shall comprise, in the aggregate, 1.43884% of the net fair market value of the Corporation's assets.

7. The Corporation shall transfer to Perth all the outstanding stock of GAF Insurance Ltd.

The net fair market value of the assets transferred to Perth shall comprise, in the aggregate, .26752% of the net fair market value of the Corporation's assets.

8. The Corporation shall transfer to Clover all the assets and liabilities, known and unknown acquired by the Corporation as a result of and upon the merger of GAF Export Corporation with and into the Corporation, which include, but are

not limited to, all the land, leases, buildings, real property, property, plant equipment, inventory and other assets at the facilities and addresses listed on Exhibit F attached hereto, as well as any contract rights, receivables, trademarks, intangibles and other assets and liabilities, known or unknown relating to its export business.

The net fair market value of the assets transferred to Clover will comprise, in the aggregate, .01157% of the net fair market value of the Corporation's assets.

9. Notwithstanding any other provision of this Plan, Edgecliff shall assume 100% of all Asbestos-Related Liabilities, and Dorset, Merick, Perth and Clover shall not assume and shall not be liable for any Asbestos-Related Liabilities.

10. The Corporation shall transfer, convey, set over and assign all its duties, obligations and liabilities, under the 11 3/8% senior subordinated notes due June 15, 1995; the 10 3/8% senior subordinated notes due November 1, 1994; and the 10 7/8% senior subordinated debentures due November 1, 2001, all issued by the Corporation (collectively, the "Bonds"), to Dorset, Edgecliff, Merick, Perth and Clover, jointly and severally; and Dorset, Edgecliff, Merick, Perth and Clover by execution of Supplemental Indentures substantially in the form attached as Exhibit G shall undertake, assume and agree to perform, pay or discharge, jointly and severally (and be liable as among

themselves, 87.43655% by Dorset, 10.84552% by Edgecliff, 1.43884% by Merick, .26752% by Perth and .01157% by Clover) all the duties, obligations and liabilities of the Corporation with respect to (and to defend, indemnify and hold harmless the Corporation from and against all losses, liabilities and expenses, including legal fees and court costs, suffered or incurred in connection with) the Bonds.

11. The Corporation shall transfer, convey, set over and assign all its duties, obligations and liabilities, the transfer, conveyance, assignment or assumption of which is not otherwise provided for under this Plan, including, but not limited to, its liabilities (A) under the note issued by the Corporation to G-I Holdings Inc. on March 29, 1989 with a principal amount of \$5,170,300, (B) for workers compensation and medical benefits for retirees and former employees of discontinued operations, (C) for insurance claims arising for the 1983-84 year during which the Corporation was self-insured, (D) for pension plan termination liabilities, (E) for the redemption of Preferred Stock of the Corporation, and (F) for other legal claims, but excluding all Asbestos-Related Liabilities (all such liabilities collectively the "Other Liabilities") 87.43655% to Dorset, 10.84552% to Edgecliff, 1.43884% to Merick, .26752% to Perth and .01157% to Clover, severally; and Dorset, Edgecliff, Merick, Perth and Clover shall undertake, assume and agree to perform, pay or discharge, severally (87.43655% by Dorset, 10.84552% by

Edgecliff, 1.43884% by Merick, .26752% by Perth and .01157% by Clover) all the duties, obligations and liabilities of the Corporation with respect to (and to defend, indemnify and hold harmless severally the Corporation from and against all losses, liabilities and expenses, including legal fees and court costs, suffered or incurred in connection with) the Other Liabilities.

12. Dorset, Edgecliff, Merick, Perth, and Clover shall each enjoy, to the fullest extent permitted under applicable law, the benefit of all insurance coverage of the Corporation in effect on the date the Plan is adopted.

13. Immediately after the adoption of the Plan, the officers of the Corporation shall cause to be executed and filed a Certificate of Dissolution of the Corporation in accordance with the General Corporation Law of the State of Delaware. After the distribution and transfer of assets pursuant to this Plan, the Corporation shall not carry on any activities other than for the purpose of winding up its affairs in accordance with Delaware law.

14. The Board of Directors and each of the officers of the Corporation are authorized to approve changes to the terms or timing (provided that in no event may any distributions pursuant to the Plan occur before or after the Liquidation Period) of any of the transactions referred to herein, to interpret any of the provisions of the Plan, to make, execute and

deliver such other agreements, conveyances, assignments, transfers, certificates and other documents and take such other actions as such Board of Directors and any such officers deem necessary or desirable, including such actions as may be necessary or desirable in order to carry out the provisions of the Plan.

Exhibit A

Dorset Patents and Trademarks

Omitted from this copy.

DRAFT 3/27/89
TAX 046525664W
36854/0012

Exhibit B

Dorset Real Property

CHARMIAN, PENNSYLVANIA
Route 116
GAF Charmian, P.O. Box J
Blue Ridge Summit, Pennsylvania 17214

HAGERSTOWN, MARYLAND (Portion owned by GAF Corporation)
34 Charles Street (Zip Code 21740)
P.O. Box 1418
21741

KREMLIN, WISCONSIN (Portion owned by GAF Corporation)
Kremlin Plant and Quarry
Pembine, Wisconsin
54156

LINDEN, NEW JERSEY (Portion owned by GAF Corporation)
Foot of S. Wood Avenue
P.O. Box 12
07036

BINGHAMTON, NEW YORK
Parking Lot

Exhibit C

Trademarks Containing the Name "GAF"

Omitted from this copy.

Exhibit D

Edgecliff Real Property

BALTIMORE, MARYLAND
1500 So. Ponca Street
P.O. Box 9977
21224

CHESTER, SOUTH CAROLINA
190 Orrs Road
29706

DALLAS, TEXAS
2600 Singleton Blvd. (Zip Code 75212)
P.O. Box 655607
75265-5607

ERIE, PENNSYLVANIA
Foot of Sassafras Street
P.O. Box 1128
16512

FONTANA, CALIFORNIA
11800 Industry Avenue S.W. Industrial Park
92335

IRWINDALE, CALIFORNIA
6230 Irwindale Avenue
P.O. Box 2148
91706

MILLIS, MASSACHUSETTS
60 Curve Street
02054

MINNEAPOLIS, MINNESOTA
50 Lowry Avenue N.
55411

MOBILE, ALABAMA
2400 Emogene Street
P.O. Box 6377
36660

MOUNT VERNON, INDIANA
Givens Road
47620

NASHVILLE, TENNESSEE
Fiberglass Road
37210

PLAINFIELD, ILLINOIS
600 Lockport Street
60544

SAVANNAH, GEORGIA
1 Brampton Road
P.O. Box 7329
31418

SOUTH BOUND BROOK, NEW JERSEY
35 Main Street
08880

TAMPA, FLORIDA
5138 Madison Avenue
P.O. Box 5176
33675

GLOUCESTER CITY
New Jersey

Exhibit E

Edgecliff Patents and Trademarks

Omitted from this copy.

Exhibit F

Clover Real Property

GAF EXPORT CORPORATION
Suite 206B, Iturregui Plaza
65th Infanteria Avenue
Rio Piedras, Puerto Rico 00924

Exhibit G

Supplemental Indentures

Omitted from this copy.

Exhibit B

INSTRUMENT OF ASSIGNMENT
AND ASSUMPTION

INSTRUMENT OF ASSIGNMENT AND ASSUMPTION, dated as of April 10, 1989, by and among GAF Corporation (the "Corporation") and GAF Building Materials Corporation, formerly known as Edgecliff Inc. ("Edgecliff"), both Delaware corporations (the "Instrument").

WHEREAS, the holders of all the outstanding shares of capital stock of the Corporation entitled to vote thereon have adopted and approved a Plan of Complete Liquidation of the Corporation (the "Plan");

WHEREAS, Edgecliff owns 10.84552% of the capital stock of the Corporation;

WHEREAS, pursuant to the Plan, the Board of Directors of the Corporation has determined to effect the distribution and transfer of all of its assets and liabilities to all of its stockholders;

WHEREAS, pursuant to the Plan, the Corporation has filed a Certificate of Dissolution in the state of Delaware;

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto take the following actions:

CONFIDENTIAL

1. The Corporation hereby transfers, conveys, sets over and assigns to Edgecliff, all the assets and liabilities, known and unknown, relating to its commercial and residential roofing materials business (excepting the mineral product business), including: (A) the assets and liabilities acquired by the Corporation as a result of and upon the merger of GAF Building Materials Corporation into the Corporation, which include, but are not limited to, all the outstanding stock of GAF Real Properties, Inc., GAFTECH Inc., and BMC Acquisition Corp. and also including contract rights, receivables, trademarks, intangibles and other assets and liabilities, known or unknown, relating to its commercial and residential roofing materials business (excepting the mineral products business); (B) all the land, leases, buildings, real property, property, plant, equipment, inventory, and other assets at the facilities and addresses listed in Exhibit A attached hereto; and (C) all right, title and interest of the Corporation in and to all the technologies and trademarks and tradenames used by the Corporation relating to the commercial and residential roofing materials business (excepting the mineral products business), including, but not limited to the patents and trademarks listed in Exhibit B attached hereto but in no event including trademarks and tradenames that contain the name "GAF."

2. Edgecliff hereby undertakes, assumes and agrees to perform, pay or discharge all of the duties, obligations and

liabilities of the Corporation with respect to (and to defend, indemnify and hold harmless the Corporation from and against all losses, liabilities and expenses, including legal fees and court costs, suffered or incurred in connection with) the assets and liabilities transferred, conveyed, set over or assigned to it under paragraph 1 above.

3. The Corporation hereby transfers, conveys, sets over and assigns to Edgecliff:

(i) 100% of all liabilities arising out of (A) shingle claims for discontinued products, (B) plant shutdowns, and (C) environmental claims from plants no longer operating and from oil waste pollution (collectively, the "Specific Liabilities");

(ii) 100% of all liabilities, costs, fees and expenses, known and unknown, arising out of all claims, lawsuits or other actions (A) seeking recovery for bodily injury, sickness, disease or death alleged to have been caused in whole or in part by any asbestos or asbestos-containing material whether in the work place or otherwise, (B) seeking to recover the cost of abatement, removal or replacement of asbestos or asbestos-containing material from any public, commercial or private building or other structure, including the cost of health screenings, inspections and operation and maintenance programs, (C) seeking the clean-up of asbestos or asbestos-containing

material from any land fill, waste disposal or other site, and (D) any other liability related to the manufacture, sale or use of asbestos or asbestos-containing material, whether arising pursuant to a contractual agreement or under Federal, state or local law, ordinance, regulation, rule or common law (in contract, tort or otherwise) (collectively, the "Asbestos-Related Liabilities"), and all persons dedicated to the administration of Asbestos-Related Liabilities; and

(iii) 10.84552% of its duties, obligations and liabilities, not otherwise transferred, conveyed, set over, or assigned or assumed under this Instrument or Instruments of Assignment and Assumption of even date herewith between the Corporation and one or all of its stockholders (all such duties, obligations and liabilities collectively the "Other Liabilities"), including, but not limited to, its liabilities (A) under the note issued by the Corporation to G-I Holdings Inc. on March 29, 1989 with a principal amount of \$5,170,300, (B) for workers compensation and medical benefits for retirees and former employees of discontinued operations, (C) for insurance claims arising with respect to the 1983-84 year during which the Corporation was self-insured, (D) for pension plan termination liabilities, (E) for the redemption of the Preferred Stock of the Corporation, and (F) for other legal claims, but excluding all Asbestos-Related Liabilities.

Edgecliff hereby undertakes, assumes and agrees to perform, pay or discharge all the duties, obligations and liabilities of the Corporation with respect to (and to defend, indemnify and hold harmless severally the Corporation from and against all losses, liabilities and expenses, including legal fees and court costs, suffered or incurred in connection with) 100% of the Specific Liabilities, 100% of the Asbestos-Related Liabilities, and 10.84552% of the Other Liabilities.

4. Edgecliff shall enjoy, to the fullest extent permitted under applicable law, the benefit of all insurance coverage of the Corporation in effect on the date of the adoption of the Plan.

5. The parties hereto hereby agree to execute and deliver such further instruments and documents as any party shall reasonably request to effect the foregoing transactions.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed the day and year first above written.

GAF Corporation

By 

GAF Building Materials Corporation,
formerly known as Edgecliff Inc.

By 

6. The parties hereto hereby agree to execute and deliver such further instruments and documents as any party shall reasonably request to effect the foregoing transactions.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed the day and year first above written.

GAF Corporation

By _____

Dorset Inc.

By _____

copy
clip

Exhibit C



Microoffice *Plan of Liquidation* Correspondence

To: Distribution
Location: Wayne

From:
Location: Deborah D. Lawson
Wayne/10

Date May 5, 1992
cc:

Subject: Liquidation of GAF Corporation (April 10, 1989)

I. BACKGROUND

Under the Internal Revenue Code, the distribution of assets in a liquidation will only be treated as tax free with respect to distributions to shareholders that own at least 80% of the common stock of the liquidating corporation. Therefore, in order to limit the tax liability created by the liquidation of GAF Corporation ("Old GAF") on April 10, 1989 (while preserving the separate corporate existence of each of Old GAF's businesses), at least 80% of the net fair market value of Old GAF had to be distributed to one shareholder which would then be treated as the successor of Old GAF for tax purposes.

To achieve this result, the five shareholders of Old GAF - GAF Chemicals Corporation (formerly Dorset Inc., "GCC"), GAF Building Materials Corporation (formerly Edgecliff Inc., "BMC"), Perth Inc., Merick Inc. and GAF Export Corporation (formerly Clover Inc., "Export") - approved a plan of liquidation (the "Plan of Liquidation") which transferred Old GAF's chemicals business and as many of Old GAF's other miscellaneous assets as possible (which were not otherwise necessary to the operation of, or reasonably related to, its building materials, broadcasting or insurance businesses) to GCC. Conversely, the Plan of Liquidation transferred to GCC only those liabilities which were related to Old GAF's ongoing chemicals business; all other liabilities which could be reasonably transferred to another shareholder were transferred to BMC, Perth, Merick or Export, and miscellaneous liabilities were divided pro rata among all the shareholders according to the percentage that the net fair market value of the assets and liabilities specifically assigned each shareholder in the liquidation bore to the total net fair market value of Old GAF as a whole.

The only exception to this approach was made for GAF Export Corporation ("Old Export") which handled chemicals sales made through or to Puerto Rico. Because it held Old GAF common stock

(which it had received upon conversion of certain Old GAF debentures in 1986), it had to merge into Old GAF prior to completion of the management-led buyout on March 29, 1989 so its Old GAF stock could be cancelled. Although its assets and liabilities could thereafter be transferred to and combined with GCC's, for tax reasons it could not be separately reincorporated as a subsidiary of GCC. Since tax planning dictated that the Puerto Rican operations be held separately from GCC's domestic operations, the assets and liabilities of Old Export had to be transferred to a different shareholder.

Following implementation of the Plan of Liquidation, the shareholders of Old GAF held the following percentages of net assets of Old GAF:

GCC	87.43655%
BMC	10.84552%
Merick (broadcasting)	1.43884%
Perth (insurance)	.26752%
Export	.01157%

The development of the liquidation strategy for Old GAF and the preparation of the Plan of Liquidation were handled by the Tax Department in conjunction with Steve Todrys of Kramer Levin. The specific distributions of assets and liabilities to the shareholders were determined by the Tax Department in conjunction with Valuation Research Corporation, which provided an opinion on the net fair market value of GCC following the liquidation.

A copy of the Plan of Liquidation and a set of charts showing the timing and mechanics of the liquidation of Old GAF (including the merger of GAF Building Materials Corporation ("Old BMC") and Old Export into Old GAF shortly before, and in facilitation of, the liquidation of Old GAF) is attached for your information.

II. DISTRIBUTION OF LIABILITIES

Specifically, the liabilities of Old GAF were distributed under the Plan of Liquidation as follows:

A. GCC

1. "All...liabilities, known and unknown relating to [Old GAF's] acetylene chemicals, surfactants, specialty chemicals, organometalics, mineral products, industrial filters and filter vessels businesses (collectively, the "Chemicals Businesses")." Although not expressly stated, this verbal formulation was intended to transfer only those liabilities related to the then ongoing operations of Old GAF's chemicals businesses so that liabilities of discontinued or sold operations such as film and dyes were not transferred to GCC.

2. The only exceptions to this scheme are specifically enumerated in the Plan and are the liabilities arising out of:

- (a) production of Amiben
- (b) Linden clean-up costs
- (c) environmental claims arising out of plants currently operating the Chemicals Businesses.

B. BMC

1. "All...liabilities, known and unknown, relating to its commercial and residential roofing materials business (except the mineral product business) including...the liabilities acquired by [Old GAF] as a result of and upon the merger of [Old BMC] into [Old GAF]...."

2. All asbestos-related liabilities of any type.

3. All liabilities arising out of:

- (a) shingle claims for discontinued products
- (b) plant shutdowns (any Old GAF business)
- (c) environmental claims from plants no longer operating (any GAF business)
- (d) environmental claims from oil waste pollution (any Old GAF business)

C. Merick (parent of GAF Broadcasting Company, Inc. and The Classical Shopper, Inc.)

"All...liabilities, known or unknown, relating to GAF Broadcasting Company, Inc. and The Classical Shopper, Inc." Since most of the liabilities of the broadcasting business were the direct liabilities of GAF Broadcasting and The Classical Shopper and not Old GAF, the liabilities of Old GAF which related to these two subsidiaries consisted primarily of the litigation related liabilities stemming from the Concert Radio case and Listeners Guild challenge to the FCC license.

D. Perth (parent of GAF Insurance Ltd.)

None.

E. Export

"All...liabilities, known and unknown acquired by [Old GAF] as a result and upon the merger of [Old Export] with and into [Old GAF] which include...all the...liabilities, known or unknown relating to its export business."

F. Joint and Several Liabilities

The Old GAF 10-3/8% Senior Subordinated Notes due 1994 and 11-3/8% Senior Subordinated Notes due 1995 were jointly and severally assigned to and assumed by GCC, BMC, Merick, Perth and Export. Among themselves, however, they are liable only for the percentage of the Notes represented by their net market value percentages set forth above.

G. Miscellaneous Liabilities

Each of the shareholders are also liable for their proportionate share (according to their net market value percentages set forth above) of all liabilities of Old GAF not otherwise allocated under the Plan including:

1. A \$5,170,300 intercompany note issued by Old GAF to G-I Holdings Inc. on March 29, 1989 (now cancelled).
2. Workers compensation and medical benefits for retirees and former employees of discontinued operations.
3. Insurance claims arising for the 1983-84 year during which Old GAF was self-insured.
4. Pension plan termination liabilities.
5. Redemption of Old GAF Preferred Stock.
6. Other legal claims (excluding all asbestos-related liabilities).

H. Liabilities Transferred by Operation of Law

As discussed above, only liquidating distributions to shareholders owning at least 80% of the stock of the liquidating company are tax free. Thus the distributions made by Old GAF to BMC, Perth, Merick and Export were taxable, albeit on a deferred basis. These deferred taxes were liabilities of Old GAF and, under the tax law, passed to GCC, as Old GAF's successor for tax purposes, upon Old GAF's liquidation.

III. SUBSEQUENT TRANSFER OF LIABILITIES

The liabilities distributed under the Plan of Liquidation can be transferred again by their recipients without restriction and without jeopardizing the original tax free treatment of Old GAF's liquidating distribution to GCC. At one point we talked about but never did transfer certain liabilities of BMC related to discontinued operations to GAF Corporation (formerly Newco Holdings Inc.). We did, of course, transfer certain liabilities

of GCC to International Specialty Products Inc. and its subsidiaries. Any additional transfer of liabilities would be accomplished in the same way the ISP transfer was done - by execution of an assignment and assumption agreement approved by the boards of directors of the companies involved. If the transfer of liabilities is made without consideration it would be treated as a capital contribution by the assuming corporation. The tax treatment of any such transfer would depend upon the structure of the transfer and would have to be separately analysed.


D.D.L.

Distribution

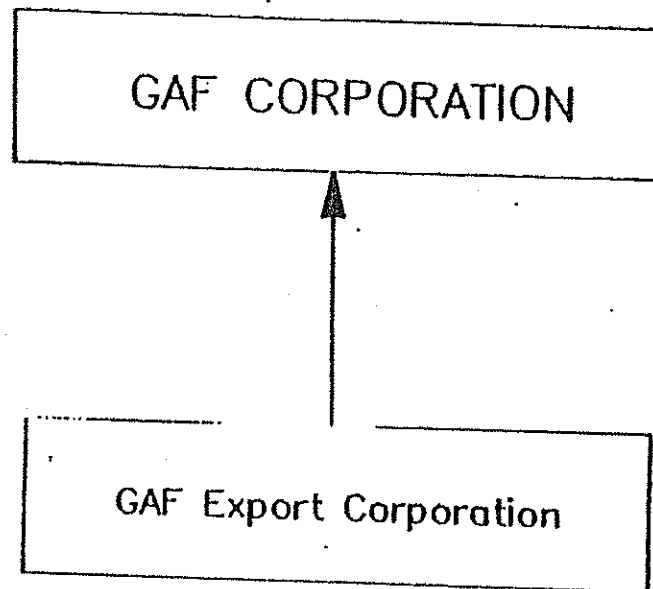
S.A. Block
S.J. Heyman
J.P. Rogers
R. Steinfeld
J.H. Stern
J.J. Strupp
A. Yanofsky

memos/miller

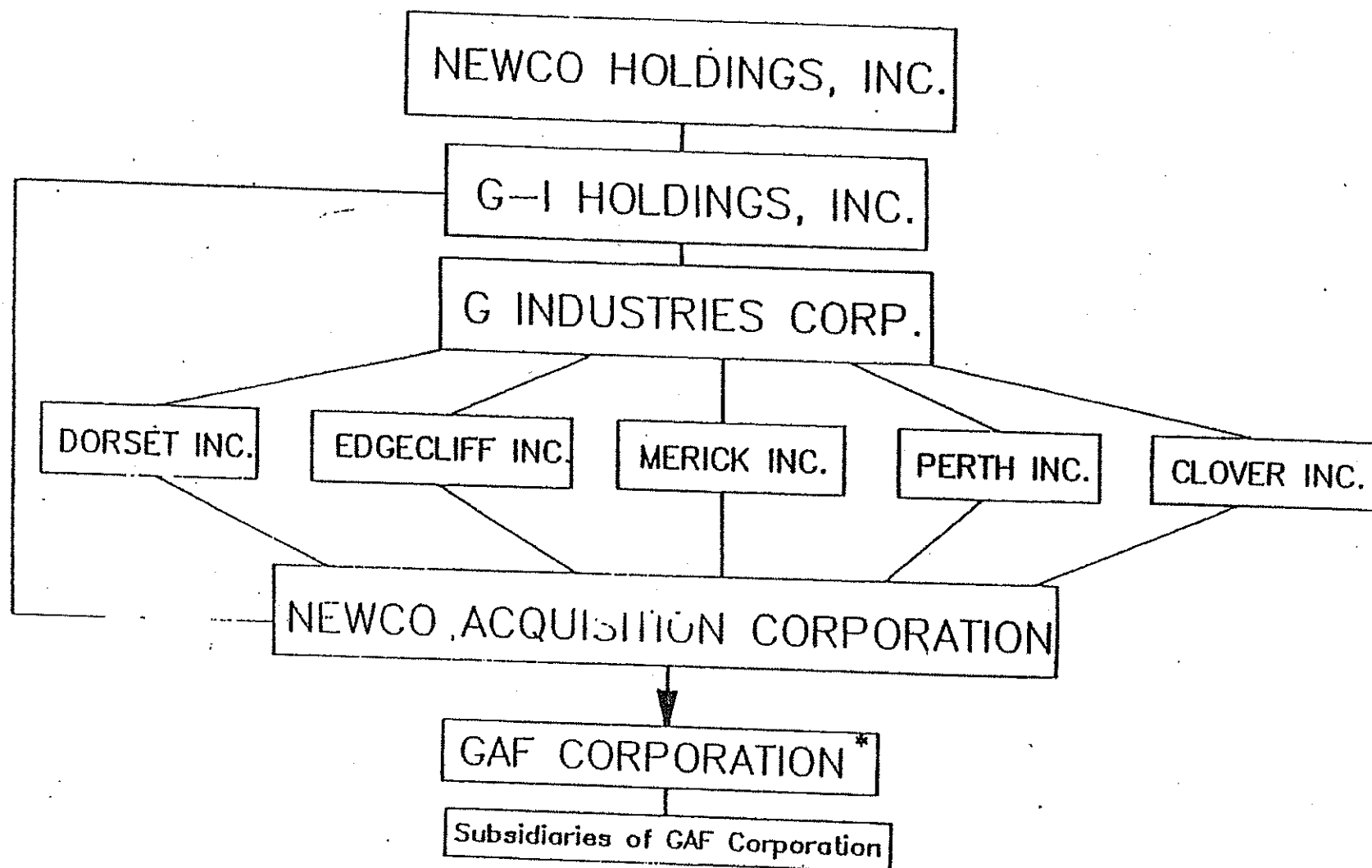
Exhibit D

GAF/LBO CORPORATE STRUCTURE

STEP ONE: On March 20, 1989, prior to the Effective Date of the LBO, GAF Export Corporation merged into GAF Corporation.

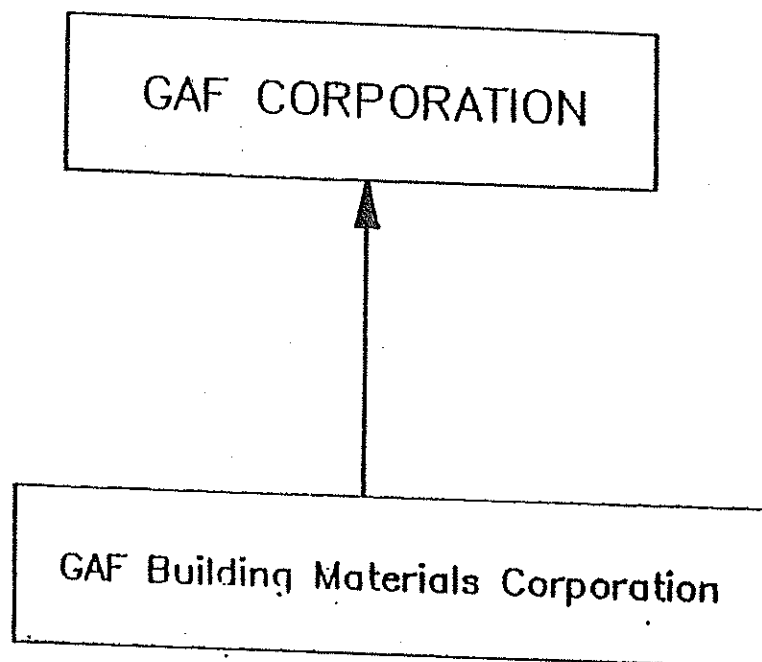


STEP TWO: On March 29, 1989, the Effective Date of the LBO, Newco Acquisition Corporation merged into GAF Corporation.

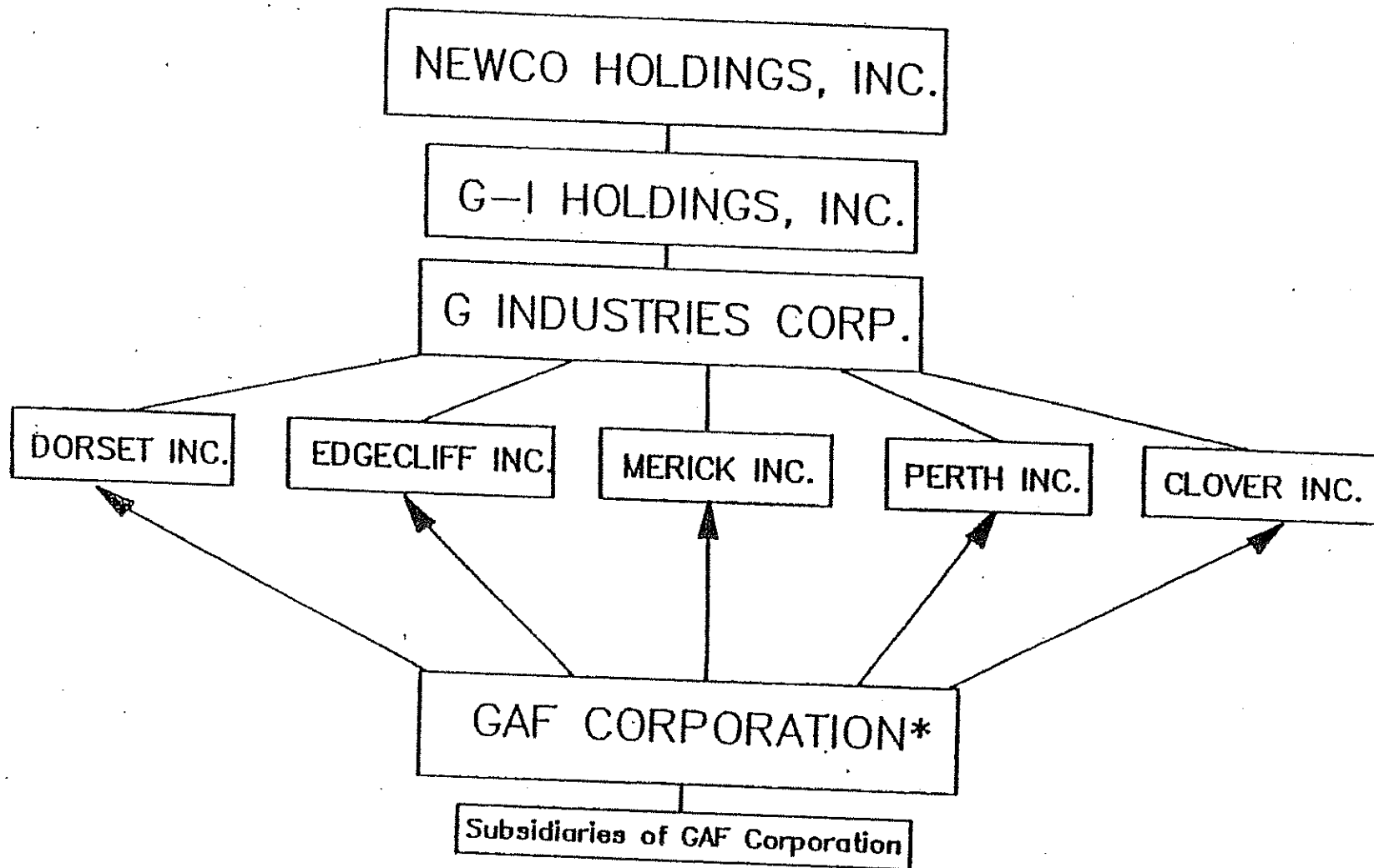


* Including assets and liabilities of former GAF Export Corporation.

STEP THREE: On April 3, 1989, after the Effective Date of the LBO and before the liquidation of GAF, GAF Building Materials Corporation merged into GAF Corporation.

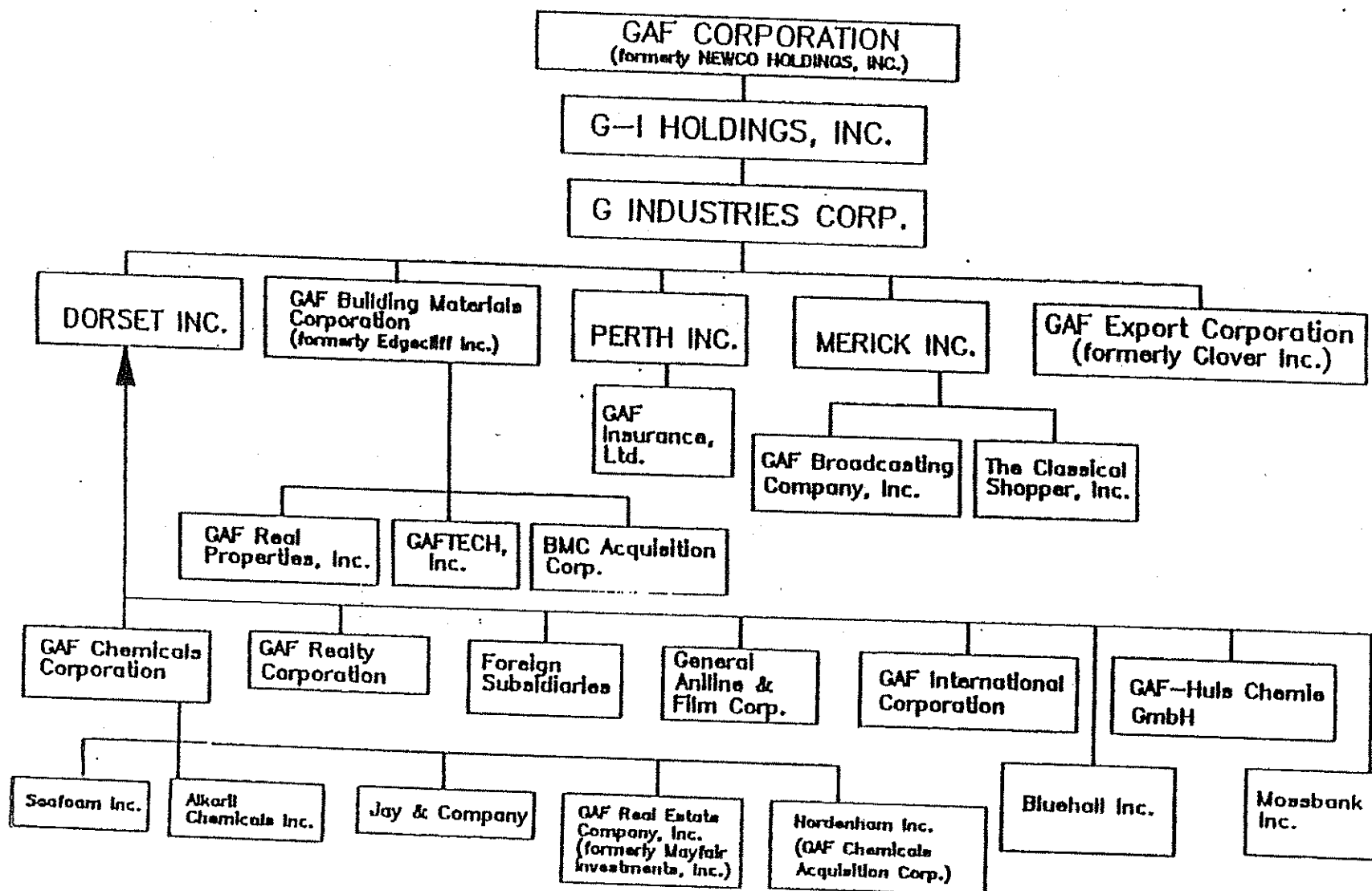


STEP FOUR: On April 10, 1989, not more than 14 days after the Effective Date, GAF Corporation liquidated and distributed stock of subsidiaries, technology and trademarks and certain corporate liabilities to Dorset Inc., Edgecliff Inc., Merick Inc., Perth Inc. and Clover Inc. Other corporate liabilities (including payroll) were distributed to Newco Holdings, Inc. through Edgecliff.



* Including assets and liabilities of former GAF Export Corporation and GAF Building Materials Corporation.

STEP FIVE: Newco Holdings, Inc. changed name to GAF Corporation (April 11, 1989). GAF Chemicals Corporation merged into Dorset Inc. and Dorset changed name to GAF Chemicals (April 11, 1989). Edgecliff Inc. changed name to GAF Building Materials Corporation (April 5, 1989). Clover Inc. changed name to GAF Export Corporation (April 10, 1989).



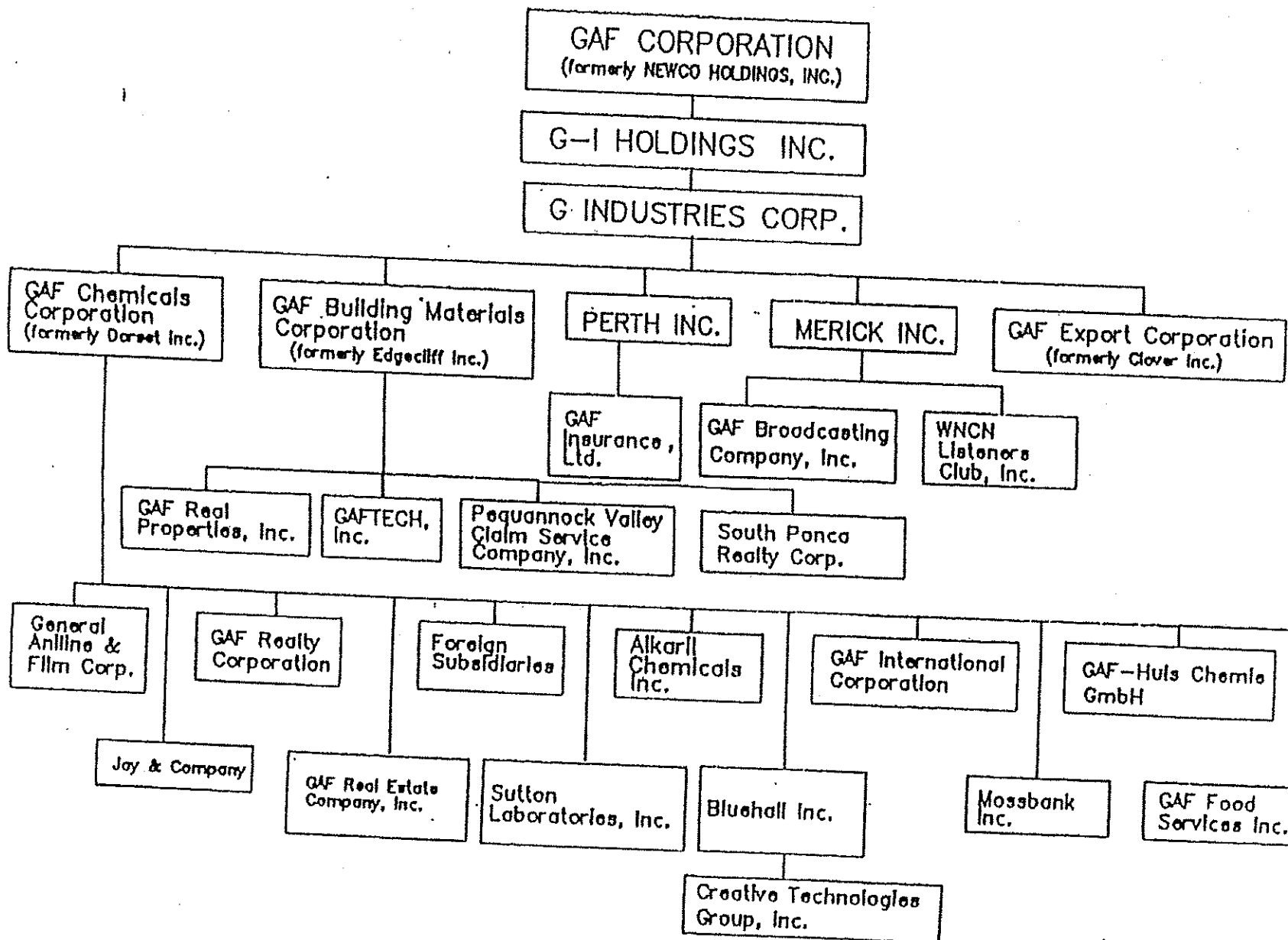


Exhibit E

**THIS IS NOT A SOLICITATION OF ACCEPTANCE OR REJECTION OF THE PLAN.
ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL A DISCLOSURE
STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT.
THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL
BUT HAS NOT YET BEEN APPROVED BY THE BANKRUPTCY COURT.**

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

-----X	
In re	:
	:
G-I HOLDINGS INC., <u>et al.</u>	:
	:
	:
	:
Debtors.	:
-----X	

**FIRST AMENDED DISCLOSURE STATEMENT FOR SECOND AMENDED JOINT
PLAN OF G-I HOLDINGS INC. AND ACI INC. PURSUANT TO
CHAPTER 11 OF THE UNITED STATES BANKRUPTCY CODE**

DEWEY & LeBOEUF LLP 1301 Avenue of the Americas New York, New York 10019 (212) 259-8000 Attorneys for Debtors in Possession	RIKER, DANZIG, SCHERER, HYLAND & PERRETTI LLP Headquarters Plaza One Speedwell Avenue Morristown, New Jersey 07962-1981 (973) 538-0800 Attorneys for Debtors in Possession
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Dated: December 3, 2008

**FIRST AMENDED DISCLOSURE STATEMENT FOR SECOND AMENDED JOINT
PLAN OF G-I HOLDINGS INC. AND ACI INC. PURSUANT TO
CHAPTER 11 OF THE UNITED STATES BANKRUPTCY CODE**

THIS PROPOSED DISCLOSURE STATEMENT HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT AS CONTAINING ADEQUATE INFORMATION UNDER BANKRUPTCY CODE SECTION 1125(b) FOR USE IN THE SOLICITATION OF ACCEPTANCES OR REJECTIONS OF THE CHAPTER 11 PLAN DESCRIBED HEREIN. ACCORDINGLY, THE FILING AND DISSEMINATION OF THIS DISCLOSURE STATEMENT ARE NOT INTENDED TO BE, AND SHOULD NOT IN ANY WAY BE CONSTRUED AS, A SOLICITATION OF VOTES ON THE PLAN, NOR SHOULD THE INFORMATION CONTAINED IN THE DISCLOSURE STATEMENT BE RELIED ON FOR ANY PURPOSE BEFORE A DETERMINATION BY THE BANKRUPTCY COURT THAT THE PROPOSED DISCLOSURE STATEMENT CONTAINS ADEQUATE INFORMATION.

THE DEBTORS RESERVE THE RIGHT TO AMEND OR SUPPLEMENT THIS PROPOSED DISCLOSURE STATEMENT AT OR BEFORE THE HEARING TO CONSIDER THIS DISCLOSURE STATEMENT.

G-I Holdings Inc. ("G-I") and its affiliate ACI Inc. ("ACI" and, together with G-I, the "Debtors") submit this first amended Disclosure Statement pursuant to section 1125 of title 11 of the United States Code (the "Bankruptcy Code") to the holders of claims against and equity interests in the Debtors in connection with (i) the solicitation of acceptances or rejections of the second amended chapter 11 plan of reorganization (the "Plan"), dated December 3, 2008, proposed by (a) the Debtors, (b) the statutory Official Committee of Asbestos Claimants of G-I Holdings, Inc., consisting of the individuals and entities appointed by the United States Trustee for the District of New Jersey (the "Asbestos Claimants Committee"), and (c) C. Judson Hamlin, the Legal Representative of Present and Future Holders of Asbestos Related Demands appointed by the Bankruptcy Court pursuant to its order dated October 10, 2001 (the "Legal Representative" and, collectively with the Debtors and the Asbestos Claimants Committee, the "Plan Proponents"), and filed with the United States Bankruptcy Court for the District of New Jersey (the "Bankruptcy Court"), and (ii) the hearing on confirmation of the Plan (the "Confirmation Hearing") scheduled for January 28, 2009.

Unless otherwise defined herein, all capitalized terms contained in this Disclosure Statement shall have the meanings ascribed to them in the Plan, including the use of the term "Claim." All information about the Debtors in this Disclosure Statement comes from the Debtors and not the other Plan Proponents.

Attached as Exhibits to this Disclosure Statement are the following documents:

- The Plan (Exhibit A);
- Order of the Bankruptcy Court, dated December 5, 2008, approving this Disclosure Statement (the "Disclosure Statement Order") (Exhibit B);
- Ballot Tabulation and Solicitation Procedures, as approved by the order of the Bankruptcy Court, dated December 5, 2008 (the "Solicitation and Tabulation Procedures") (Exhibit C);
- Projected Financial Information (Exhibit D); and
- Liquidation Analysis (Exhibit E).

Plan be filed and served on or before January 12, 2009 at 4:00 p.m., prevailing Eastern Time. Refer to Section X(A) for further information.

III. GENERAL INFORMATION

A OVERVIEW OF CHAPTER 11

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. Under chapter 11 of the Bankruptcy Code, a debtor is authorized to reorganize its business for the benefit of its creditors, equity interest holders, employees, customers, and investors. In addition to permitting the rehabilitation of a debtor, another goal of chapter 11 is to promote fair treatment for similarly situated creditors and similarly situated equity interest holders with respect to the distribution of a debtor's value.

The commencement of a chapter 11 case creates an estate that is comprised of all of the legal and equitable interests of the debtor as of the commencement date. The Bankruptcy Code provides that the debtor may continue to operate its business and remain in possession of its property as a "Debtor-in-Possession."

The consummation of a plan of reorganization is the principal objective of a chapter 11 reorganization case. A plan of reorganization sets forth the means for satisfying claims against and interests in a debtor. Confirmation of a plan of reorganization by the bankruptcy court binds the debtor, any issuer of securities under the plan, any person acquiring property under the plan and any creditor or equity interest holder of a debtor. Subject to certain limited exceptions, the order confirming a plan discharges a debtor from any debt that arose prior to the date of confirmation of the plan and substitutes therefore the obligations specified under the confirmed plan.

Holders of claims against and interests in a debtor are permitted to vote to accept or reject the plan. Prior to soliciting acceptances of the proposed plan, however, section 1125 of the Bankruptcy Code requires a debtor to prepare a disclosure statement containing adequate information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment regarding the plan. The Debtors are submitting this Disclosure Statement to holders of Claims against the Debtors to satisfy the requirements of section 1125 of the Bankruptcy Code.

B EVENTS LEADING TO THE COMMENCEMENT OF THE CHAPTER 11 CASES

G-I is a privately-held holding company with BMCA as its primary operating subsidiary. BMCA operates as a non-debtor and is not itself in chapter 11. Prior to 1967, G-I's predecessor, General Aniline & Film Corporation, was engaged in the development, manufacturing and sale of photographic and chemical products. In 1967, General Aniline & Film Corporation merged (the "1967 Merger") with the Ruberoid Company ("Ruberoid"), an industrial and building products company, and later changed its name to GAF Corporation. As GAF Corporation, the Company continued its historic business and the business of Ruberoid.

To facilitate administrative efficiency, effective October 31, 2000, GAF Corporation, merged into its direct subsidiary, G-I Holdings Inc. G-I Holdings Inc. then merged into its direct subsidiary, G Industries Corp., which in turn merged into its direct subsidiary, GAF Fiberglass Corporation. In that merger, GAF Fiberglass Corporation changed its name to GAF Corporation. Effective November 13, 2000, GAF Corporation merged into its direct subsidiary, GAF Building Materials Corporation, whose name was changed in the merger to G-I Holdings, Inc. G-I Holdings Inc. is a wholly-owned subsidiary of G Holdings Inc. ("G Holdings"). Samuel J. Heyman beneficially owns (as defined in Rule 13d-3 of the Securities Exchange Act) approximately 99% of G Holdings Inc.

G-I's asbestos liabilities arise primarily from Ruberoid's manufacture of an asbestos-containing thermal insulation product known as Calsilite®. Ruberoid began as a manufacturer of rubber-like roofing and coating products that did not contain asbestos. At the request of the United States Navy during World War II, however, Ruberoid produced Calsilite® – a thermal insulation product used on the United States' naval and other ships. Ruberoid supplied this product, manufactured in accordance with government specifications, to naval shipyards around the country. After the 1967 Merger, GAF Corporation designed an asbestos free product similar to Calsilite® which was rejected by the Navy. The Company ceased production of Calsilite® in 1971. In addition to Calsilite®, Ruberoid (until the 1967 Merger) and then GAF Corporation (after the 1967 Merger) produced a variety of other products that may have contained asbestos including asbestos fiber, asbestos paper, rollboard and millboard, coatings, felt, asbestos-cement boards, sheets and siding, shingles and roll roofing, flooring, and pipe covering, cement and block products. No GAF Corporation product contained asbestos as part of its formulation after 1981.

ACI, formerly known as Alkaril Chemicals, Inc. ("Alkaril"), was formed in 1978. Alkaril manufactured surfactants and other specialty chemicals. On August 18, 1992, Alkaril changed its name to ACI Inc. In November 1987, Alkaril and its Canadian affiliate Alkaril Chemicals Ltd. were acquired by GAF Corporation and its subsidiary GAF Chemicals Corporation through a series of stock purchase transactions. Alkaril and GAF Corporation are collectively referred to as "GAF" in the following discussion.

On February 12, 1990, pursuant to an Asset Sale Agreement, GAF sold the assets (the "Surfactants Assets") of the GAF surfactants business to two newly formed Grantor Trusts (the "Purchaser Trusts"), of which Alkaril and GAF were the sole beneficiaries. The Purchaser Trusts then contributed the Surfactants Assets to a limited partnership (the "Partnership") in exchange for limited partnership interests and, in turn, contributed such interests to a third trust which became a successor limited partner of the Partnership (the "Limited Partner Trust"). The Limited Partner Trust was entitled to priority distributions from the Partnership. The total consideration for the transferred Surfactants Assets was valued at approximately \$480 million, including the assumption and payment of certain liabilities relating to the Surfactants Assets. After the formation of the Partnership, the Limited Partner Trust borrowed \$450 million pursuant to a non-recourse loan which was secured by its interest in the Partnership.

GAF's investment in the Partnership was represented by an asset reflecting its investment in the Partnership and \$450 million long-term indebtedness reflecting the related non-recourse loan. Although non-recourse to GAF, repayment of the debt was secured by a pledge of GAF's interest in the Partnership. On April 26, 1994, GAF settled outstanding disputes relating to GAF's interest in the Partnership. Under the terms of the settlement agreement, GAF agreed to terminate pending litigation and received a partnership distribution of a portion of its interest in the Partnership of approximately \$25.5 million in April 1994. The settlement resulted in pre-tax income of \$23 million. The settlement also provided that GAF would receive fixed monthly distributions until 1999 as well as a fixed final distribution in 1999.

On September 15, 1997, G-I Holdings Inc. received a notice from the Internal Revenue Service (the "IRS") of a deficiency in the amount of \$84.4 million (after taking into account the use of net operating losses and foreign tax credits otherwise available for use in later years) in connection with the formation of the Partnership. On or about February 9, 1999, GAF transferred via an Amended and Restated Agreement of Trust its ownership interests in the Partnership to a Delaware Business Trust, the GA Trust. The Partnership then retired GAF's interest in the Partnership through a distribution of cash and United States Treasury bonds.

GAF was forced to seek chapter 11 protection in January 2001. G-I sought chapter 11 protection in 2001 due to the significant increase in both the number of asbestos claims filed against GAF Corporation and the amounts demanded by asbestos plaintiffs' lawyers to settle their cases. The

bankruptcies of four major asbestos defendants occurring immediately prior to the Commencement Date further increased the financial pressure on G-I to unanticipated levels. The result was an inability to continue funding the resolution of rising asbestos claims.

C PREPETITION BUSINESS ACTIVITIES

1. BMCA

G-I's principal asset is BMCA, a wholly-owned subsidiary of BMCA Holdings Corporation, which is a wholly-owned subsidiary of G-I, that was created in 1994 upon the transfer by G-I of substantially all of its operating assets relating to its roofing and building materials business to the newly-formed entity. The following is a more detailed description of this transaction as well as another significant transaction involving G-I and BMCA.

a. The 1994 Transaction

BMCA was incorporated under the laws of Delaware in 1994 and is a wholly-owned subsidiary of BMCA Holdings Corporation, which is a wholly-owned subsidiary of G-I Holdings Inc. In 1994, BMCA acquired the operating assets and certain liabilities of GAF Building Materials Corporation, whose name has been changed to G-I Holdings Inc. G-I Holdings Inc. is a wholly-owned subsidiary of G Holdings Inc. ("G Holdings"). As noted above, Samuel J. Heyman beneficially owns (as defined in Rule 13d-3 of the Securities Exchange Act) approximately 99% of G Holdings Inc.

In 1994, GAF BMC, the predecessor to G-I, was a major manufacturer of roofing and building materials and a well-recognized defendant in asbestos litigation (typically sued as "GAF Corporation"). Despite the efforts of GAF BMC's management to grow the company, the capital markets were not open to GAF BMC (except perhaps on a secured basis) because of the asbestos overhang on the company and, therefore, capital could not be raised to grow the business. Rather than encumber all its assets, GAF BMC's management determined the most beneficial option for all parties in interest was to transfer its operating assets to a new, wholly-owned subsidiary.

Pursuant to the Reorganization Agreement, dated as of January 31, 1994, GAF BMC transferred substantially all its operating assets relating to its roofing and building materials business to BMCA, a newly-formed, wholly-owned subsidiary, in exchange for all issued shares of BMCA's common stock and its assumption of GAF BMC's related liabilities. BMCA also assumed the first \$204 million of asbestos liabilities payable in respect of claims for bodily injury pending against GAF BMC as of January 31, 1994, or settled prior to January 31, 1994, whether for indemnity or defense.

As a result of the separation of the BMCA assets from GAF BMC, BMCA's access to the capital markets was greatly enhanced. Specifically, over the next six years, BMCA issued five different series of public bonds and entered into two credit facilities totaling approximately \$700 million – all of which provided BMCA with capital to grow its roofing and building materials business.

b. The 2000 Transaction

Faced with an escalating volume of asbestos claims filed against GAF Corporation and the bankruptcy filings of other major asbestos defendants, in late 2000 it became clear G-I had no choice but to seek protection under chapter 11 of the Bankruptcy Code. To increase its liquidity in anticipation of its parent company's filing, in December 2000 BMCA obtained an additional \$100 million secured credit facility with its existing lenders secured by first liens on substantially all BMCA's assets and amended its credit agreement. BMCA sought and obtained consents from the holders of its outstanding unsecured notes to amend its existing indentures to permit the proposed refinancing. In exchange for